



STAFF REPORT

TO: CITY COUNCIL
MEETING DATE: NOVEMBER 2, 2026
FROM: ERIN VENTURA, CONTRACT PLANNER
SUBJECT: SHORT TERM RENTAL DISCUSSION

RECOMMENDATION:

Receive the Planning Commission's recommendations regarding the proposed Short-Term Rental (STR) Ordinance and provide direction to staff regarding preparation of the revised ordinance for City Council consideration.

BACKGROUND

In November 2019, the City began updating its Short-Term Rental Ordinance; however, the proposed ordinance was not adopted. Since that time, staff has tracked STR permits and provided updates to the City Council regarding STR activity within the City.

As of October 13, 2026, the City had 17 valid STR permits, including 10 active and seven inactive permits. The City also had eight hotel and inn establishments. These counts include STRs permitted by right in commercial zones.

The City Council extended the existing moratorium on STR permits for an additional 10 months at its April 20, 2026 meeting to allow time for the Planning Commission and City Council to consider and finalize a permanent ordinance.

Previous City Council and Planning Commission discussions have focused on four primary policy areas: annual permit review, waitlist procedures, the maximum number of STR permits, and geographic distribution of permits.

DISCUSSION:

The City Council held discussions regarding a Short Term Rental Ordinance on the following dates (recordings linked below):

- [February 2, 2026](#)
- [March 2, 2026](#)
- [March 16, 2026](#)
- [April 20, 2026](#)

Additionally the Planning Commission held a meeting on May 11, 2026 to discuss the changes to the ordinance. The recording from that meeting can be found [here](#).

At its October 13, 2026 meeting, the Planning Commission discussed the proposed STR Ordinance and provided recommendations to staff on the outstanding policy questions. The Commission's recommendations are summarized below.

1. Annual Permit Review

The Commission discussed an annual review process to identify STR permits that are not being actively used. The Commission recommended that when a permit holder reports no rental activity for three consecutive quarters, staff would send a notice advising that the permit will be cancelled if no rental activity is reported for the fourth quarter.

Cancellation would occur automatically if there is no rental activity during the fourth quarter, unless the permit holder contacts the City to discuss the circumstances.

2. Waitlist Procedures

The Commission supported the hybrid waitlist approach, combining chronological processing of applications with priority for hosted STRs. Under the approach discussed, hosted STR priority would be tied to a minimum rental activity threshold of 25 nights per year.

A waitlist would be used once the maximum number of authorized STR permits has been issued.

3. Maximum Number of STR Permits

The Commission recommended limiting the total number of STR permits to 2% of the City's total housing stock, calculated using standard rounding rules.

The has approximately 1,404 residential dwelling units within the City. Based on that estimate, a 2% cap would equate to approximately 28 STR permits. Using a percentage-based cap would allow the maximum number of permits to adjust as the City's housing stock changes.

4. Geographic Distribution of Permits

The Commission recommended that the ordinance not establish geographic distribution requirements for STR permits. Under this approach, permits would not be allocated according to separate quotas for properties within and outside the Historic District.

NEXT STEPS:

Staff will incorporate the Planning Commission's recommendations into revisions to the draft STR Ordinance and bring the revised ordinance to the Planning Commission for consideration. Once the Planning Commission has reviewed the draft ordinance, staff will ask that they recommend approval to the City Council. At that time, the draft will be brought back to City Council for review and adoption.

The City Council may provide additional direction before staff finalizes the ordinance for adoption.